

ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES
Wednesday, November 2, 2011
DDA Offices, 150 S. Fifth Avenue, Ann Arbor, MI 48104

Place: DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104
Time: Mr. Guenzel called the meeting to order at 12:04 p.m.

1. ROLL CALL

Present: Newcombe Clark, Russ Collins, Robert Guenzel, Leah Gunn, John Hieftje, Roger Hewitt, John Mouat, Nader Nassif, Keith Orr, Sandi Smith, John Splitt

Absent: Joan Lowenstein

Staff Present: Susan Pollay, Executive Director
Joe Morehouse, Deputy Director
Amber Miller, Planning & Research Specialist
Jada Hahlbrock, Management Assistant

Audience: Dave Askins, *Ann Arbor Chronicle*
Josie Parker, Ann Arbor District Library
Andrea David, Herb David Guitar Studio
JC Potts, Pangea Piercing
Andrea Gross, Pangea Piercing
Adrian Iraola, Park Avenue Consultants
Ray Detter, Downtown Area Citizens Advisory Council
Maura Thomson, Main Street Area Association
Andrew Cluley, WEMU
Herb David, Herb David Guitar Studio
Ali Ramlawi, Jerusalem Gardens
Ryan Stanton, Ann Arbor.com
Deanna Relyea, Kerrytown District Association
Mary Cambuzzi, Found Gallery

2. PUBLIC HEARING ON PROPOSED PARKING METER RATE INCREASE

Mr. Guenzel explained that under the new City/DDA Parking Agreement, the public will be provided an opportunity to speak at a public hearing before metered parking rates are changed. A \$0.10/hr increase has been proposed to take place in September 2012. Mr. Guenzel said that this public hearing will be continued at the December 7th DDA Board meeting.

Maura Thomson, Main Street Area Association, expressed thanks to the DDA for listening and not extending meter enforcement past 6pm. She said that the Association understood that parking rates needed to be increased in part to provide parking revenues to the City.

Maggie Ladd, South University Area Association, also expressed thanks to the DDA, and said that SUAA had no concerns about the proposed Art Fair rate increase.

Ali Ramlawi, Jerusalem Garden, spoke in opposition to the proposed rate increases, saying that they would contribute to “choking off” downtown, as businesses are struggling.

Andrea David, Herb David Guitar, said that she was glad evening parking enforcement wasn’t included in the DDA’s proposed parking changes, and that construction of the nearby structure had negatively affected their business because students taking guitar lessons can’t find parking. She asked that hourly rates not be increased until after the new structure is open.

JC Potts, Pangea Piercing, said that the number one complaint he hears is about aggressive parking enforcement. He regularly receives parking tickets because he does not like parking his convertible in the structures. They will expand their business in locations other than Ann Arbor where parking is easier.

Herb David, Herb David Guitar, said that Ann Arbor is becoming a town of franchise businesses. Many of his long-time customers don’t come to the store because it’s located near the construction. He said business is best on Sundays when parking is free. They were broken into for the first time in fifty years, which they believe was due to a street light that wasn’t working.

Deanna Relyea, Kerrytown District Association, thanked the DDA for the improvements they’ve made to downtown, and expressed regret that parking rates are being increased in part to help the City with its shortfall. She said that the Kerrytown neighborhood was different than the others, and echoed concerns about aggressive parking enforcement.

Ray Detter, Downtown Citizens Advisory Committee, said that the CAC supported the rate changes. He said that no one wants to raise rates in a time of economic hardship, but the increases would enable the DDA to keep the decks in good repair, which wasn’t happening before the DDA took over the parking system. He shared articles from the 1940’s and 1970’s where community members predicted the end of downtown due to parking rate increases.

Andrea Gross, Pangea Piercing, said that she disagreed that downtown was still vital, as there were four stores going out of business. She said that people don’t want to come to downtown Ann Arbor.

There being no further comment, Mr. Collins moved and Ms. Hewitt seconded the adjournment of the public hearing until the December 7th DDA Board Meeting.

3. COMMUNICATIONS FROM DDA MEMBERS

Mr. Hieftje noted that as outlined in the proposal, many parking rates would not increase until September of 2012, nearly a year away. Mr. Hewitt said that he would provide additional information on the proposed rate increases later in the meeting.

Mr. Clark said that the issue of increasing parking rates is an old one, as demonstrated by the articles shared by Mr. Detter. He said that decisions can either be driven by “best-practice” or by “best-politics”, and he thought that the DDA should err on the side of best-practice. His company has 80 employees and they don’t benefit from the lack of evening enforcement, but there aren’t people speaking on this side of the issue. Mr. Clark also noted the lack of a representative speaking on behalf of monthly permit patrons who face a possible rate increase in February.

4. AUDIENCE PARTICIPATION

Ali Ramlawi of Jerusalem Garden said that as regards to the parking system and parking rates, he asked that the DDA remember to focus on their mission, and act independently of the City despite the City’s financial issues. Mr. Ramlawi said that he respects Mr. Detter, but feels that we may be reaching the tipping point regarding parking rates. He noted how much the City relies on the University of Michigan and the City of Ann Arbor should live within its means. He expressed frustration that the 300 block of Fifth Avenue remains closed, which affects his business.

Andrea David of Herb David Guitar advised the DDA to proceed with caution and think about the ramifications of decisions it makes such as parking rate increases. She said that the DDA has now undertaken the construction of a structure it certainly cannot fill.

JC Pots of Pangea Piercing spoke again regarding the proposed parking rate increases. He said that a goodwill gesture to parkers would be appropriate. Less expensive parking would make the downtown more attractive and more of a destination spot. Despite lower parking rates, the increased traffic would lead to increased revenue to the DDA.

Herb David of Herb David Guitar asked if today’s problem will become tomorrow’s problem. Population estimates don’t seem to support the need for another downtown parking structure. He suggested that a good use of the space adjacent the library would be an atrium available to local craftspeople for work space. This use would also bring shoppers to the area.

5. REPORTS FROM CITY BOARDS AND COMMISSIONS
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Downtown Area Citizens Advisory Council Mr. Detter said that at their meeting the CAC discussed their continued support for the Percent for Art program. They understand that there will always be debate about art in public spaces and how it should be funded. The CAC sees great value in public art and pointed to the Dreiseitl water sculpture as an example of how it can benefit the pedestrian experience and help create local pride and community identity.

Mr. Detter said that the CAC has been impressed by Village Green and how they have worked to accomplish various project design adjustments at First & Washington. The CAC supports the project and urges City Council approval on November 10th of the purchase and development agreements.

6. COMMUNICATIONS FROM DDA MEMBERS

None

7. MINUTES

Ms. Gunn moved and Mr. Collins seconded approval of the October 5, 2011 DDA meeting minutes.

A vote on the motion showed:

AYES: Clark, Collins, Guenzel, Gunn, Hewitt, Hieftje, Mouat, Nassif, Orr, Smith, Splitt

NAYS: none

Absent: Lowenstein

The motion carried.

8. BRICKS & MONEY/TRANSPORTATION COMMITTEE

Mr. Hewitt said that a concern was mentioned earlier that Ann Arbor has been taken over by chain stores. A majority of the DDA members are small, independent business owners, and are very sensitive to downtown issues and concerns. He said that two of the speakers complained about parking tickets, which is an issue for the City, because the City, not the DDA, handles enforcement. Mr. Hewitt said that he gained great insight by meeting with Main Street Area representatives who emphasized that the concern surrounding the extension of parking meter operation into the evening isn't the cost of parking, but rather the fear of parking tickets. There may be technology in the future that can help with this issue but for now DDA staff will continue to work with City enforcement staff to find ways to improve the coordination of parking operations and enforcement.

Mr. Hewitt went line by line through the list of proposed rate changes and explained that while no one likes to raise parking rates, the DDA has obligations that it needs to meet. He added that the DDA has created a system of very well maintained parking facilities. With regard to the decision to build the new underground structure Mr. Hewitt explained that 5 years ago when the decision was made, parking facilities were often at capacity. Since that time, despite the downturn in the economy, the total annual number of hourly parking patrons has increased by nearly 450,000.

Ms. Smith asked how TDM strategies figure into the list of proposed rate changes; Mr. Hewitt said that a stepped approach was being taken, but until a full system of epark machines were in place which allow variations in prices and amount of time permitted, a comprehensive system wasn't yet possible. The DDA was installing 10-hour half price "Park & Walk" meters along the edges of downtown as a way to encourage spreading parking demand more fully throughout the parking system. Mr. Collins commented that Geoff Larcom, media director for EMU, once joked that EMU doesn't have a parking problem, it has a walking problem. This may be true for Ann Arbor, as well.

Mr. Hieftje said he was amazed at the increase in hourly patron numbers over five years, as this took place even as the number of go!pass users has been substantially increasing. Mr. Splitt said that additionally, the 2010 census showed a 30% increase in the number of downtown residents over the last 10 years, which means an additional 1000+ new downtown residents.

Mr. Clark asked how the increased revenues would impact the DDA's Ten Year Plan; Mr. Hewitt said that the numbers had been revised to account for proposed parking rate increases.

Ms. Smith asked if parking usage goes down when parking prices go up; Mr. Hewitt replied that since he has been on the board he has seen parking usage occasionally go flat, but he hasn't seen large decreases despite parking rate increases. Mr. Collins shared that in 1971 as Briarwood mall was opening and downtown Ann Arbor was in crisis, parking rates were steeply increased and still, downtown survived. Even during that shift in retail business, customers continued to come downtown.

Mr. Mouat said that the message needs to be, "We have parking!". Having available parking can be the first domino in getting even more people downtown. The underground facility gives downtown the ability to grow. Mr. Mouat reminded his fellow board members that it is their responsibility to look into the future and make decisions that they believe will be good for downtown over time. Mr. Collins said that placing parking underground is a very progressive way of handling parking, and will allow for important development opportunities in the future.

Mr. Hieftje asked that people remember that the DDA is in fact, very reflective of the small business community, as a majority of the DDA members own or operate small independent businesses.

Financial statements. Mr. Hewitt reviewed the statements for the First Quarter FY 2011/12. TIF capital expenses were lower than expected because Fifth & Division invoices have not yet been received, and parking maintenance expenses are higher than budgeted because project bond reimbursement for several items had not yet taken place. Quarterly parking revenues and patron numbers were up over last year.

Fifth & Division- Mr. Splitt reported that trees are being planted this week on the 200 block of S. Fifth, and the punch list items are now 80% complete.

ADA Curb Ramps. Eleven curb ramps were replaced in October on Division and Main Streets.

Underground Garage. Mr. Splitt reported that Library Lane at the Division Street side was completed last week, including sidewalks, road and tree planters. Water-proofing and construction on sequence two and three continue on a daily basis. Last month over 1000 yards of concrete was poured at the center section of the deck. Discussions with Christman and the design team continue in regards to getting Fifth Avenue opened as soon as possible, but winter weather will make this challenging. The sidewalk on the north end of the east side of Fifth Avenue should be completed before the end of December.

Transportation- Mr. Mouat reported on the City of Ann Arbor Sidewalk Millage that will be decided next Tuesday. City Council has approved a revised resolution setting forward that if the millage is approved, the portion captured in the DDA District (estimated to be \$50,000/year which includes the portion captured by the DDA TIF) will be directed to the DDA to undertake sidewalk repairs in the District.

Mr. Mouat reported that Nancy Shore, getDowntown program, commented that she is noticing a changing dynamic downtown, including more people living and working downtown. She has met

several employees at Google who never leave downtown, as they are meeting all their needs downtown. This speaks volumes about the quality of our downtown.

Mr. Mouat also reported that the film "Revenge of the Electric Car" will be at the Michigan Theater later in the month, and the filmmaker Chris Paine will attend Q & A events. This film looks at the auto industry and examines how it is both a cause of, and possibly the innovator we need in regards to addressing climate change.

The next Bricks & Money/ Transportation committee meeting will be on November 30th at 11am.

9. PARTNERSHIPS/ ECONOMIC DEVELOPMENT COMMITTEE
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Ms. Smith reported that at Police Chief Jones and Deputy Chief Seto met with the Committee. While statistics show that the amount of crime in downtown is down, the Police Department is aware that the general public has concerns. In order to combat negative perceptions, the Police are working with the downtown community to increase enforcement of nuisance issues including graffiti and trash in the alleys. The DDA has once again made offered free graffiti removal materials such as paint to downtown property owners and business owners to help combat downtown graffiti.

Parking lot planning. Ms. Smith said that the first meeting of the Leadership and Outreach Committee was held, and the group is bringing many new voices to the discussion. Both the LOC and Partnerships committee brainstormed about what we would see as proof of our success developing these parcels; words like laughing, playing, diverse, welcoming, urban, strolling, beautiful, and others were used. The key word was "more", meaning, more of what we already have including more residents, jobs, visitors, opportunities for fun, etc. Members of the LOC took a walking tour of the William/ Midtown area, which helped to understand the connection between these properties and what is located near them. The next LOC meeting will be held Monday, November 7th.

Reports & Updates. Ms. Smith said that The AATA continues its planning for the new Blake Transit Center, and anticipate submitting a site plan to the City by the end of the year. She said that Ms. Parker reported the downtown library continues to be very busy, and construction is not affecting patronage. She said that Mr. Derezinski reported that the Planning Commission approved the Varsity project and that it will be soon be presented to City Council for consideration and review.

The next Partnerships/ Economic Development committee meeting will take place Wednesday, November 9th at 9am.

10. OTHER DDA BUSINESS

Mr. Hieftje shared a comment heard at a recent Hill Street neighborhood meeting. A resident said that the "steamroller had been stopped", meaning that in his neighborhood the demand for student rental housing was lessening and young families were returning. This was seen as a very positive change. Young families and young professionals are vital to the City and it seems many are finding opportunities to purchase homes that in the past would have been used as subdivided rental units.

Mr. Hieftje said that he recently attended the Michigan Rail Summit, and the speaker list was bipartisan, which suggests that commuter rail is becoming an issue everyone can support. Governor Snyder spoke, saying that commuter rail is a natural fit for Michigan.

11.	OTHER AUDIENCE PARTICIPATION
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None

12.	CLOSED SESSION
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Mr. Mouat moved and Ms. Gunn seconded moving into a closed session for attorney/ client privileged communication.

A roll call vote on entering into closed session showed:

AYES: Collins, Guenzel, Gunn, Hewitt, Hieftje, Mouat, Nassif, Orr, Smith, Splitt

NAYS: none

Absent: Clark, Lowenstein

The motion carried.

The DDA Board exited the meeting room at 1:52pm.

The DDA Board reentered the meeting room at 2:35pm. It was moved by Mr. Mouat and seconded by Ms. Gunn for the DDA to go back into open session.

A roll call vote on returning into open session showed:

AYES: Collins, Guenzel, Gunn, Hewitt, Hieftje, Mouat, Nassif, Orr, Smith, Splitt

NAYS: none

Absent: Clark, Lowenstein

The motion carried.

13.	ADJOURNMENT
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There being no other business, Mr. Collins moved and Ms. Gunn seconded the motion to adjourn. Mr. Guenzel declared the meeting adjourned at 2:36 pm.

Respectfully submitted,
Susan Pollay, Executive Director